

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 4 FEBRUARY 2005**

I. CEFMS:

A. We corrected a CEFMS condition that permitted conversion of government agency training request obligations to a credit card purchase without first canceling the original accrual. This caused a problem with general ledger updates. We changed CEFMS to prevent conversion of an obligation to a credit card purchase if there is an outstanding accrual.

B. We changed CEFMS so that a user cannot save a supervision and administration (S&A) obligation record without first entering the dollar amount on screen two of the obligation process. Prior to this edit, partial records were created with no amounts which prevented the user from creating an amendment to the obligation.

C. We modified the labor distribution process for cross charge labor (CCL) income transfer by adding a new transfer_type_code, CCLINC, to identify the CCL income transfers. We also released new general ledger correlations. We will provide a script to all applicable production databases to reverse the incorrect general ledger transactions, and to repost new general ledger transactions in the current period. We also modified CEFMS to update conditions where the source appropriation = NA and debtor class = PB for a customer order. This will correlate labor distribution with previous funding changes.

D. We received a data request from the DFAS Intra-Governmental Transaction System (IGTS) Project Office for an initial meeting that will take place in February at the UFC. The data requested included system information, IGTS Transaction Data, and Transaction Volume Data.

E. We modified the CEFMS Contract Payments to Vendors process to record prompt pay interest as an expense rather than part of the disposal cost when processing payments for disposal of an asset.

F. We made the following changes to the unfunded liability screens and general ledger updates:

(1) We corrected an update problem in the CEFMS screen for receiving reports with no obligation. The previous version did not insert the correct dollar amount to process when the user used a wildcard query to select the records to reverse. This result was an

overstatement of the dollar amount on Unfunded Liabilities. We also made changes to clear the dollar amounts that had been previously reversed.

(2) We added a new reconciliation to the general ledger transaction reconciliation report to compare the receiving report dollar amounts on unfunded contracts with the associated general ledger dollar amount.

(3) We also added an additional general ledger account to the reconciliation report: gltrnrec (general ledger balances to subsidiary records) to reconcile the dollar amount in the unfunded liabilities general ledger to the dollar amount in the receiving report records.

G. During the last quarterly reorganization, a USACE activity created duplicate records in their reorg log (by executing the reorg "Closeout" step too soon). This resulted in problems with P2. To prevent this from happening again, we changed CEFMS to allow old org codes listed in the reorg cross reference table to be edited by the user. We also added a pop-up warning screen to the "Closeout reorg" step to alert the user that by continuing, the cross reference table will be copied to the reorg log, temporary tables will be deleted, and reorg completed step indicators will be re-set to 'N'. We also changed the update_date in the log to be the date when the Closeout step was run to assist the P2 team.

H. Listed below are other CEFMS reorg modifications based on P2 requirements:

(1) We deleted the option allowing the purchase request amendment table to be updated to the organization of the originating employee. We changed the script to update the purchase request amendment and line item tables to use the new organization code listed in the reorg cross reference table, if the purchase request is set up for a specific employee, rather than using the employee's assigned org code.

(2) We changed the Closeout step to automatically deactivate old organization codes, rather than waiting for the user to take this action.

(3) We changed the timekeeper entry and prior pay period adjustment screens to allow processing of charges related to any of the deactivated organization codes from the reorg.

(4) We changed the timekeeper entry and prior pay period adjustment screens to not allow charge codes citing P2 work items, if the labor purchase request is set up for a specific employee, and if the receiving org code does not match that employee's org code in Employee Maintenance.

I. We received a request to add the duty station of employees in the CEFMS Duty Station Maintenance Screen. These values were already included in the data file for the personnel interface, and are edited against the duty_station_mstr table. We advised USACE activities to load their valid station codes in their master table, and that as long as the station code on the data file existed in the master table, then the duty station would be loaded into the employee's record in Employee Maintenance. No programming change was required

J. We revised the Copy Operating Budget function in CEFMS so that users can copy historical information regarding calculated overhead rates from one budget to another, within the same fiscal year. This allows users to easily view the details of their most recently approved budget, even if the newest budget did not include any changes to labor or overhead rates.

K. We made changes to the CEFMS Resource Code Detail report to make it run faster. This report provides detailed information on costs recorded during the year to include the purchase request number, description, work item, month in which costs were recorded, and the organization code of the employee who created the purchase request. Previously, this report took several hours to run because of the amount of data accessed.

L. We coordinated with the Resource Management staff at the Japan District and the Pacific Ocean Division (POD) to identify the Operating Budget Module changes required to accommodate the unique way in which Japan District processes labor and calculates overhead costs. We outlined the steps required on a problem report and assigned it to a contract programmer. We expect the changes will be completed by June 2005, so that Japan District can use it for formulation of their initial FY2006 Operating Budget.

M. We corrected CEFMS so that users can now update the Place-In-Service screen for assets that were purchased by a trade-in, and we also corrected a problem with the Reclassification of Fixed Asset(screen 2.26) which was previously updating incorrectly for transferred-in assets.

N. We modified the Customer Order Detailed Cost Report which is the cost report used to support FEMA billings. We corrected the double reporting of cost to ensure the report agrees with the customer bill.

O. We modified the 'Monthly Progress/Status Funding and Cost Report'. This report assists with the E.P.A. Hazardous and Toxic Waste program to get bills paid in a timely manner. The report was not properly reporting funding and costs for customer orders that were broken into sub groups. The report now properly reports for any reimbursable customer order.

P. We modified the government order/customer order (GO/CO) process to edit initial customer codes to insure requesting and performing activity databases are in sync. We added a reject message to identify when a GO/CO transmission is rejected for this reason.

Q. We established edit on purchase request line item for multiple purpose power projects to prevent users from creating a purchase request with an incorrect work category/ element. The edit checks screen 10.161(Multi-Purpose Work item Authorization screen) to verify that the fund account has been linked in screen 10.161. The message states "This purchase request cannot be completed with fund account number XXXXXX because the funded work item requires Multi Purpose Power table maintenance." This change will result in fewer cost transfers to correct work category/category element for incorrect purchase requests.

R. At the request of P2, we changed CEFMS to require MIPRs within USACE to be created at the executive level. This resulted in problems with the budgeting process. We evaluated the procedures and modified CEFMS so that MIPRs could be entered at any organization level, and still meet the P2 requirements.

S. CEFMS would not allow approval of any obligation after 30 September if the database was not closed and reopened for October processing. During year-end closeout, prior to this modification, we wrote scripts to allow obligation approval. We have now modified CEFMS to allow approval of obligations after 30 September.

T. We modified CEFMS so that the responsible employee would not change on P2 generated work items when an employee was deactivated. This ensures that P2 and CEFMS responsible employees are in sync.

U. We created CEFMS problem reports to identify the required changes for the CEFMS/Facilities and Equipment Maintenance System (FEMS) interface. We worked with the FEMS contractor to update the Interface Control Document and coordinate the interface requirements.

V. We continue to correct any problems with Military Construction In-Process (CIP) balances and resolve any CIP reconciliation (ciprecon report) issues. By the end of the second quarter, the ciprecon report will be added to the daily reconciliation report stack for daily monitoring of CIP imbalances and negative balances for both Military and Civil appropriations.

W. We corrected the Revolving Fund nominal balance detail report to properly reflect the purchase and depreciation of revolving fund assets less than \$250,000.00.

X. We modified the Unliquidated Obligation report to include all customer orders regardless of the customer order acceptance data. The prior version of this report excluded customer orders.

Y. We responded to questions from DoDIG concerning the requested Accounts Receivable Universe data files for end of September, 2004. We corrected the data files and resubmitted information. We initiated new procedures to ensure all databases are included in the Universe. We also added new columns to display the source appropriation in the universe data file.

II. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	774	804
Priority #1 Problems	52	52

Received 200 new problem reports and completed 230 problem reports.

B. Database Imbalances on our 62 Production Sites:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	59	56
One	1	0
Two	1	3
Three	0	1
Six	1	0
Nine	0	1
Ten	0	1
Twenty	0	0

III. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

<u>LOCATION</u>	<u>ONBOARD</u>
MILLINGTON:	232
HUNTSVILLE:	24
USACE HQ:	1
DA Interns:	4
TOTAL:	261

B. DISBURSING WORKLOAD DATA:

PAYMENT	CURRENT MONTH Jan 01-31	YEAR TO DATE Oct 01-Jan 31
CHECK:		
CHECKS ISSUED	11,850	46,795
PERCENT OF TOTAL	12%	12%
DOLLAR AMOUNT	\$96,135,017	\$459,618,166
EFT:		
TRANSFERS MADE	41,910	189,060
PERCENT OF TOTAL	88%	88%
DOLLAR AMOUNT	\$1,484,419,241	\$5,807,691,542

*percentages adjusted for utility checks which do not have to participate in EFT.

IV. OTHER UFC ISSUES:

A. The Chief of our Information Management Office will attend the Corps of Engineers Enterprise Infrastructure Services (CEEIS) Configuration Control Board (CCB) meeting in Seattle 3-4 February. We had previously only attended this CCB meeting when it was held once locally at the Memphis District. But at the request of the CEEIS Program Manager, we will now attend each quarterly meeting.

B. On 9 February, auditors from HQUSACE (CEIR) will visit the Finance Center to review the UFC support cost billing methodology and the basis for the DFAS payroll service charges distributed USACE-wide. This is part of the Chief of Staff's mandated review of all uncontrollable costs billed to USACE activities in FY04 and estimated for FY05.

C. The competitive sourcing contractor, Sytel Infrastructure Services, issued the draft Preliminary Planning Report on 1 February for our review and comment. The report addresses a wide range of issues including market research, scoping, workload data sources, baseline costs, risk management, and a major business functions matrix. The competitive sourcing study is on schedule with an estimated public announcement in four to five weeks.

D. We have received responses from only 27 USACE activities to our annual customer survey. The ratings are similar to those for 2003 except the ratings related to our Financial Systems Development and Maintenance Directorate (CEFC-S) which has received significantly higher ratings. We will publish the complete results sometime before the end of February.

E. On 28 January, we sent our submission to CERM-B for the Executive Development and Management (ED&M) funding model for FY06 funding. Our adjustments to the initial model resulted in a small decrease in total funds required both for General Expense and Operations and Maintenance, Army. Our representative to the 2012/ED&M Workshop 7-9 February will provide details on the basis for our FY06 ED&M requirements.

F. The Resource Management Division has recently issued two reports covering reviews of commercial payments for the periods October - December 2003 and January - March 2004. That Division and the Accounts Payable Division have discussed the recommendations in the reports. The findings and recommendations are similar to previous commercial payments reviews and in most cases will require the assistance and cooperation of USACE activities to improve conditions. These audits have identified three problem areas that occur throughout USACE. One common error is that payment terms specified in the hard copy obligating document often do not agree with the payment terms reflected in CEFMS. Also, there is frequent misuse of the Prompt Payment Act (PPA) indicator. Obligations are often coded PPA exempt when they should not be; and conversely, obligations that should be coded PPA exempt are not. And third, several instances were noted where vendor addresses in CEFMS were not the same as those reflected in the hard copy obligating document. This was especially prevalent for ENG 93s and lease transactions.

G. The UFC, in a multi-divisional/multi-directorate effort, produced and mailed 18,000 1099-MISC, 412 1099-S, 7 1099-C based on Accounts Receivable write-off criteria, and 1822 W2 forms before the 31 Jan 05 deadline. Our goal for CY 05 is to print and mail all W2s by 4 Jan 06.

H. Three auditors from the Army Audit Agency will visit the UFC 8-10 February to review procedures and transactions for the disbursement of Iraq Relief and Reconstruction - II Program, FY 04-06 funding. This audit was requested by the Acting Secretary of the Army. The goal is to ensure that proper fund and accountability controls are in place as the Project and Contracting Office (PCO) executes its mission in support of the Iraq relief and reconstruction efforts. The Secretary of the Army is the executive agent responsible for executing the DoD portion of the \$18.6 billion in FY 04 Iraq Relief and Reconstruction Funds (IRRF). The PCO has responsibility for providing program management and acquisition support in executing the DoD mission. CEFMS is used to account for and control the majority of the DoD FY 04 IRRF funding.

I. Personnel from the Baltimore District met on 26 Jan 05 with personnel from the District of Columbia Public Schools (DCPS) concerning the \$65 million in outstanding delinquent USACE receivables owed by the DCPS. The DCPS staff indicated that the USACE should expect to see about \$35 million in payments by mid-February, with another \$10 million in mid-March. Additional payment amounts are pending a reprogramming action that is in progress within the DCPS Capital Improvements accounts. There seems to be a discrepancy between what the USACE shows as outstanding receivables and what DCPS believes is due to the USACE. The exact amount is not known yet, but is in the \$5 to \$7 million range. The groups will have a series of working level meetings to try to reconcile the differences. If they are still unable to agree, they discussed the possibility of having a joint audit performed. DCPS stated that they have some internal challenges with respect to financial management and requested that USACE provide some short term financial management expertise to assist with the challenges. The Baltimore District has agreed to undertake this assistance under the terms of their existing Memorandum of Agreement. They will work closely with DCPS in an effort to resolve the debts as quickly as possible.

J. Our Travel Division is currently working with our Huntsville Financial Systems Directorate to standardize purchase request line items for PCS travel orders. There will be nine standardized PCS cost codes for use by USACE activities. The standardization will assist the UFC in processing payments and provide for easier tracking of PCS costs.

K. The Travel Division is currently processing settlement vouchers received 27 Jan 05.

L. The CFO/Civil Reports Division responded to action items from DoDIG on their review of our first quarter FY 2005 financial statements and notes. We also responded to questions from Office of the Secretary of Defense (OSD) Comptroller before the statements and notes were incorporated into the Department-wide statements and submitted to Office of Management and Budget.

M. The CFO/Civil Reports Division continues to work on gathering and validating the performing activities' line of accounting on government order acceptances. This information is to support our payable and expense data that we provide in the intra-governmental transactions eliminations process, and to maintain our status as a waived entity.

N. UFC is now required to submit a reconciliation of Civil Appropriations Funds Balance with Treasury to OSD Comptroller by the tenth workday of the month. CFO/Civil has worked to expand and refine the template that we previously used for our reconciliation. The template now includes separate lines for Treasury Warrants, SF1151 transfer documents, gross collections, gross disbursements and general ledger subsidiary posting accounts. We expect to meet the new reporting requirement on time.

O. The Civil Reports Team has been monitoring reports and coordinating with Districts to resolve CEFMS abnormal balances, incorrect debtor class codes, and performing activity appropriation data.

P. The CEEMIS DoD Information Technology Security Certification and Accreditation Process (DITSCAP) is currently on schedule. We should have a rough draft of the Systems Security Authorization Agreement (SSAA) in a couple of weeks, then we will be ready to move on to the testing phase of the project. We have requested an extension for the Interim Authority to Operate (IATO). We should receive it sometime this week.

Q. UFC has researched and cleared all suspended DFAS Corporate Information Infrastructure (DCII) transactions that do not require any crosswalk updates from DFAS. Currently, we are waiting for DFAS to establish and update their crosswalks in order to clear the remaining pending transactions. That will take care of all of the Oct - Dec (FY 04) transactions. When that is accomplished and modifications are made to the DARTS correction system, the UFC will begin submitting January 2005 data. DCII is the DFAS Corporate Warehouse where all Military Appropriation CEFMS transactions are submitted daily.